EXECUTIVE SUMMARY

Never before have the living conditions and prospects of so many people changed so dramatically in the space of a few decades. Since the establishment of the WTO 30 years ago, the world has witnessed a period of unprecedented income growth and convergence, as the wide gap in income levels between economies has narrowed. Between 1995 and 2023, global per capita income, adjusted for inflation, increased by approximately 65 per cent, while the per capita income of low- and middle-income economies almost tripled. This impressive economic growth has significantly contributed to reducing poverty, malnutrition and infant mortality, and has improved access to education, healthcare and electricity. A rapid expansion in international trade was a major factor in this impressive economic growth.

Recent debates about trade, development and inclusiveness have sometimes minimized or overlooked these achievements. Growing concern about income inequality levels, which remain high in most economies, have led some to argue that globalization is detrimental to development and inclusiveness because it favours wealthy economies and individuals, leaving marginalized groups and regions behind. Recent crises, such as the COVID-19 pandemic, revealed genuine vulnerabilities in supply chains, and fuelled perceptions that globalization exposes economies to excessive risks. Despite the remarkable poverty reduction of recent decades, a staggering 712 million people worldwide still live in extreme poverty.

Against this backdrop, the World Trade Report 2024 examines how international trade and trade policies contribute to making the global economy more inclusive. While trade has played a crucial role in promoting global economic convergence and reducing poverty, some individuals, regions and economies have been left behind by not being able to benefit to the same extent from trade. The report analyses how trade and trade policy can be part of the solution to make trade and the global economy more inclusive.

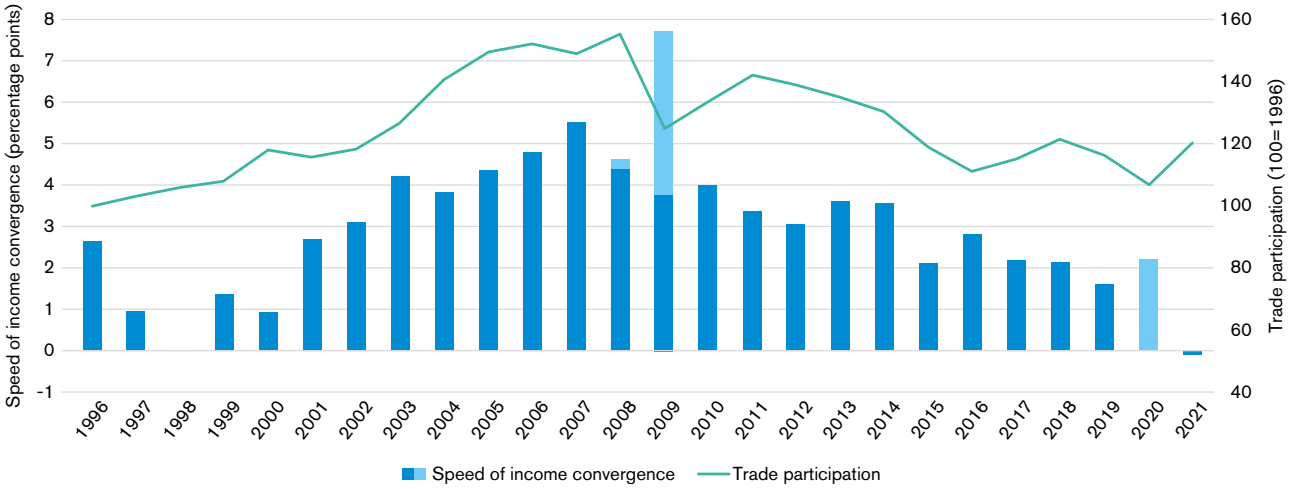
Integrating open trade with other key policy areas is essential to spread the benefits of trade to all. At present, trade does not always benefit everyone; this is not solely due to trade policies, but often to domestic policies as well. The Report's main conclusion is that reducing trade would diminish opportunities for growth and inclusiveness, but relying solely on trade and trade policy would not fully capture these opportunities. Complementary domestic policies are required to make trade more inclusive. Significant progress can be made at the national level to enhance the effectiveness of national policies for economic growth and inclusiveness, but international cooperation among economies can also be beneficial. In addition, increased coherence between the WTO and other international organizations can help to magnify their collective impact on growth and inclusiveness.

Chapter B delves into the challenges faced by certain economies in integrating into the global market and diversifying, and argues that sustained economic growth would be most effectively achieved through open trade supported by complementary policies that facilitate the economy's structural transformation.

Income convergence has progressed over the last 30 years, but it has slowed since the global financial crisis of 2007-08, and took a backward step during the COVID-19 pandemic. Between 1995 and 2023, per capita income in low- and middle-income economies, adjusted for inflation, almost tripled, from US$ 1,835 to US$ 5,337; in comparison, global per capita income increased by approximately 65 per cent, from US$ 7,050 to US$ 11,570. This unprecedented income convergence was associated with a steep increase in the participation of low- and middle-income economies in international trade (see Figure 1). Between 1995 and 2022, the share of low- and middle-income economies in global trade grew from 21 per cent to 38 per cent, while the share of trade between developing economies in world trade almost quadrupled, increasing from 5 per cent in 1995 to 19 per cent in 2021. However, this convergence process has slowed since the global financial crisis, as the average share of trade in GDP of low- and middle-income economies has remained relatively constant. Economic convergence even went into reverse during the COVID-19 pandemic, which hit growth in poorer economies hardest.

Trade reforms have accelerated the structural transformation of low- and middle-income economies, contributing to income convergence. Access to foreign markets for both exports and imports has boosted sectoral productivity through greater economies of scale, competition, technology diffusion and innovation. Foreign direct investment (FDI) within global value chains (GVCs) has further contributed

Figure 1: Positive correlation between low- and middle-income economies' convergence speed and trade participation, 1996-2021



Source: Authors' calculations, based on World Bank data on nominal GDP and real GDP per capita and WTO data on trade in goods and commercial services.
Note: The figure displays the evolution over time of the population-weighted averages of trade participation and income convergence speed between 1996 and 2021. The trade participation index is the share of goods and commercial services trade in GDP, adjusted for country size. Speed of income convergence is expressed as the difference between the average real GDP per capita growth rate of low- and middle-income economies and the average growth rate in high-income economies. The light blue fill indicates a contribution of negative growth in high-income economies. The income groups are based on the 1995 World Bank classification.

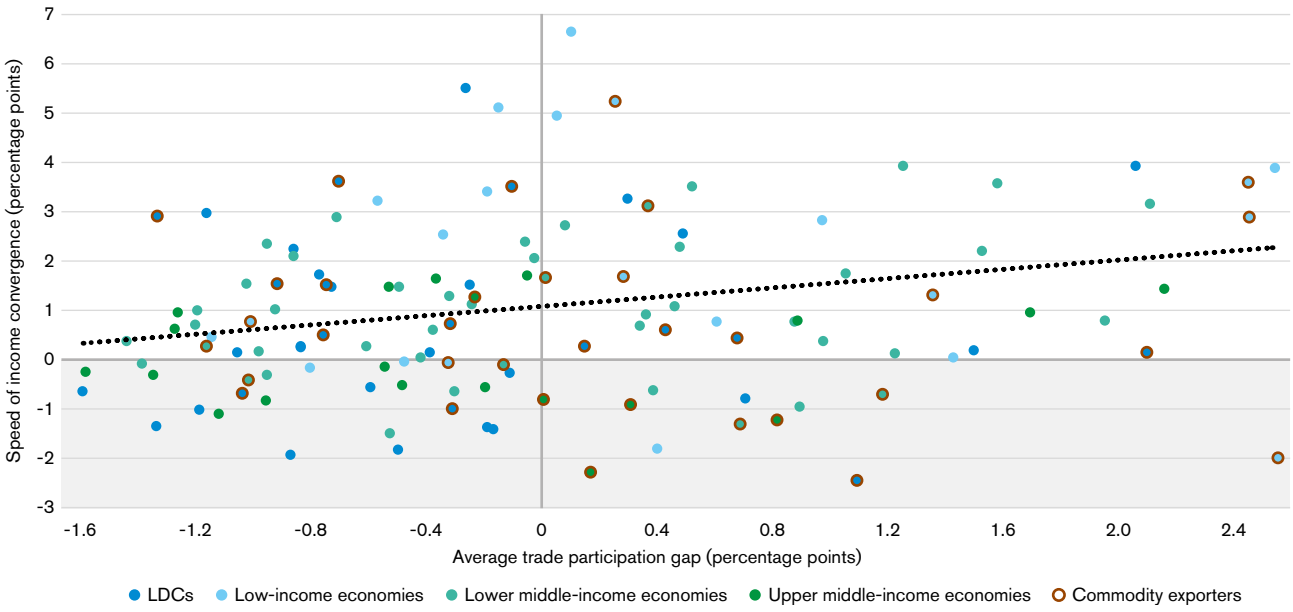
to the diffusion of new technologies, innovation and production upgrading, in particular in middle-income economies. Empirical evidence finds that unilateral trade reforms in developing economies have, on average, boosted economic growth by 1 to 1.5 percentage points, potentially resulting in a 10 to 20 per cent higher incomes over a decade. WTO simulation analysis further suggests that trade cost reductions between 1995 and 2020 led to a 6.8 per cent increase in global real GDP over the period, with low-income economies growing by around 33 per cent.

Income convergence and global economic integration have been uneven, leaving some economies behind. Between 1996 and 2021, one third of initially low- and middle-income economies grew slower than the average high-income economy in income-per-capita terms, meaning that the income gap between them was expanding instead of narrowing (see Figure 2). These diverging economies, many of them least-developed countries (LDCs), represent 13 per cent of the global population and are mainly in Africa, Latin America and the Middle East. Low- and middle-income economies that have lagged behind (i.e., diverged or converged at a very slow rate) generally tend to engage less in international trade, receive less FDI, rely more on commodities, export less complex products, and their trade tends to be concentrated on fewer partners.

High trade costs and limited diversification hamper convergence. Some economies have not fully benefited from globalization because high tariffs at home and abroad, low regional integration, administrative red tape, poor physical and digital infrastructure, geographical remoteness and weak institutions have limited their integration into international markets, and with it, diminished their access to foreign technology and to affordable high-quality inputs. Exporters in poor economies often lack the capacity to comply with foreign market standards and technical regulations, and may struggle to utilize preferential access to large markets. Meanwhile, some other economies, despite more active participation in global trade, have failed to leverage trade for development due to a lack of diversification in their production and export baskets. For example, economies that are specialized in capital-intensive extractive and primary sectors can be vulnerable to commodity price volatility, and can fail to achieve sustained growth because of macroeconomic instability.

Impediments to structural transformation and a limited ability to adopt foreign technologies can also prevent certain economies from reaping the gains from trade. Trade fosters growth by enabling the import of technology and know-how, and by leveraging external demand to shift workers and resources from subsistence work to more productive

Figure 2: Many low- and middle-income economies are lagging behind, 1996-2021



Source: Authors' calculations, based on World Bank data on nominal GDP and real GDP per capita and WTO data on trade in goods and commercial services.
Note: The figure displays the correlation between trade participation and convergence speed of economies that were low- or middle-income in 1995. The trade participation gap is the share of goods and commercial services trade in GDP, adjusted for country size, expressed as a percentage difference from the income group average. Income convergence speed is the annualized real income per capita growth between 1996 and 2021 expressed as the difference from the average growth in high-income economies. Economies below the horizontal axis did not converge in their per capita incomes towards high-income economies. Economies on the left of the vertical axis had an average trade participation below their income group average. The income groups are based on the 1995 World Bank classification. The LDC group is based on the United Nations (UN) classification.

activities in tradable sectors. However, these adjustment processes require functioning domestic capital, labour and land markets, macroeconomic stability and effective governance. An economy's ability to integrate new technologies also depends on having policies that improve the business environment and attract FDI, and that aim to develop a skilled workforce and competitive local supply chains, as well as on having a well-functioning infrastructure for energy, telecommunications and transport.

Geopolitical tensions, the technological revolution and climate change pose significant risks to economic convergence, both in terms of unwinding past achievements and endangering future prospects. Continued fragmentation of the global economy under geopolitical pressures would disproportionately impact low-income economies, which are furthest from the technological frontier and rely on access to foreign markets for sustained catch-up growth due to their limited market size and innovation capabilities. Climate change is already harming economic growth prospects in the most vulnerable economies, including LDCs, small-island developing states, and landlocked developing economies, which have the fewest resources to recover from natural disasters and whose populations are especially exposed to changing rainfall patterns. Meanwhile, automation and digitalization in manufacturing is eroding opportunities for the traditional manufacturing-led economic growth and employment model.

Reducing trade costs is crucial to leverage future opportunities for trade-led growth. Diversifying GVCs, increasing trade in services, and developing trade in renewable energies and in critical minerals for climate technologies can create new opportunities for low- and middle-income economies. It is essential to address trade costs in services, bridge the digital divide, and tackle regulatory capacity and compliance issues if low- and middle-income economies are to take full advantage of these opportunities. Improving access for low-income economies to markets in both high-income and emerging economies, including by addressing tariff escalation on processed goods and trade-distorting subsidies, can also support economic growth in a world where an increasing share of trade is among developing economies. However, trade barriers arising from inadequate domestic infrastructure or institutional challenges also need to be addressed.

Trade policy needs to be complemented by policies that support structural transformation and technology absorption. For example, such policies may aim to create a business environment conducive to domestic and foreign investments, or to address specific business challenges and implement new policies, as in the case of special economic zones (SEZs). Technology absorption, including the domestic process of acquiring, developing and utilizing technological capabilities, can be enhanced through research and education policies. Other complementary policies may bridge information gaps between private and public sectors, or between local and foreign-owned firms, as well as raise awareness of new trade and investment opportunities.

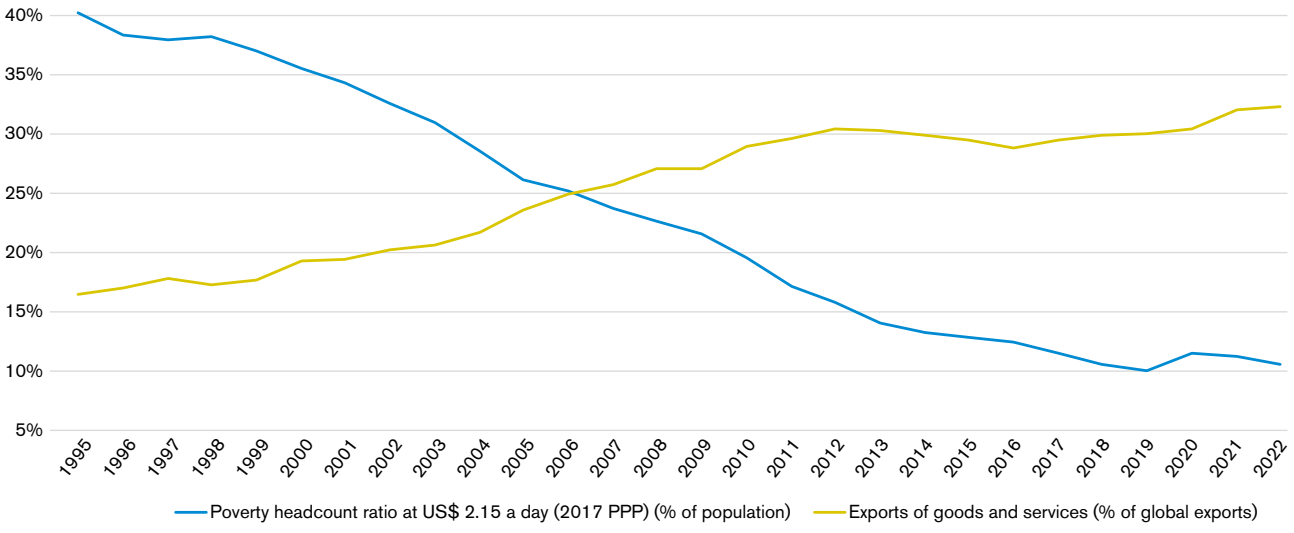
Inclusiveness across economies can support inclusiveness within economies, and vice versa. Ensuring that the benefits of economic growth, including trade openness, are more widely distributed helps to establish a stable and relatively prosperous middle class, which in turn can help to support the overall development process in an economy by driving domestic consumption and encouraging entrepreneurial activity, economic diversification and social stability. In turn, this development process helps to achieve long-term economic growth and sustained poverty reduction.

Chapter C analyses the factors that hinder individuals from accessing the gains from trade, and underscores the need to accompany trade openness with other domestic policies that allow the gains from trade to flow to individuals, and enable them to move to where those gains are.

Trade has played a significant role in reducing poverty, especially in low- and middle-income economies. Trade has raised incomes and led to higher growth, resulting in significant benefits for some of the most vulnerable groups within economies. For instance, over the last 30 years, poverty has declined sharply as trade has grown (see Figure 3). The poverty headcount ratio in low- and middle-income economies fell from 40.3 per cent in 1995 to 10.6 per cent in 2022, while their share in global exports doubled from about 16 per cent to 32 per cent. However, the COVID-19 pandemic halted progress in poverty reduction in many low- and middle-income economies as a result of widespread job losses, reduced incomes and constrained financial resources to acquire vaccines and establish social support systems to cope with the pandemic.

Over the past 30 years, global income inequality has remained high, but it has evolved differently across economies. The average Gini index, a measure of inequality, across a large set of economies fell from about 0.58 prior to the global financial crisis to 0.57 in 2022. However, this global average masks the diverse evolution of income inequality between economies, with some of them experiencing significant decreases, while others have faced persistent or widening disparities. Moreover, global income inequality remains high

Figure 3: Substantial poverty reduction alongside increased trade participation of low- and middle-income economies, 1995-2022



Source: Authors' calculations, based on World Bank data on poverty, exports and GDP.
Note: The figure displays the evolution of the average share of poverty headcount at US$ 2.15 a day (2017 PPP) in population and the share of exports of goods and services in global exports for low- and middle-income economies over the period 1995-2022. The income groups are based on the 2022 World Bank's classification.

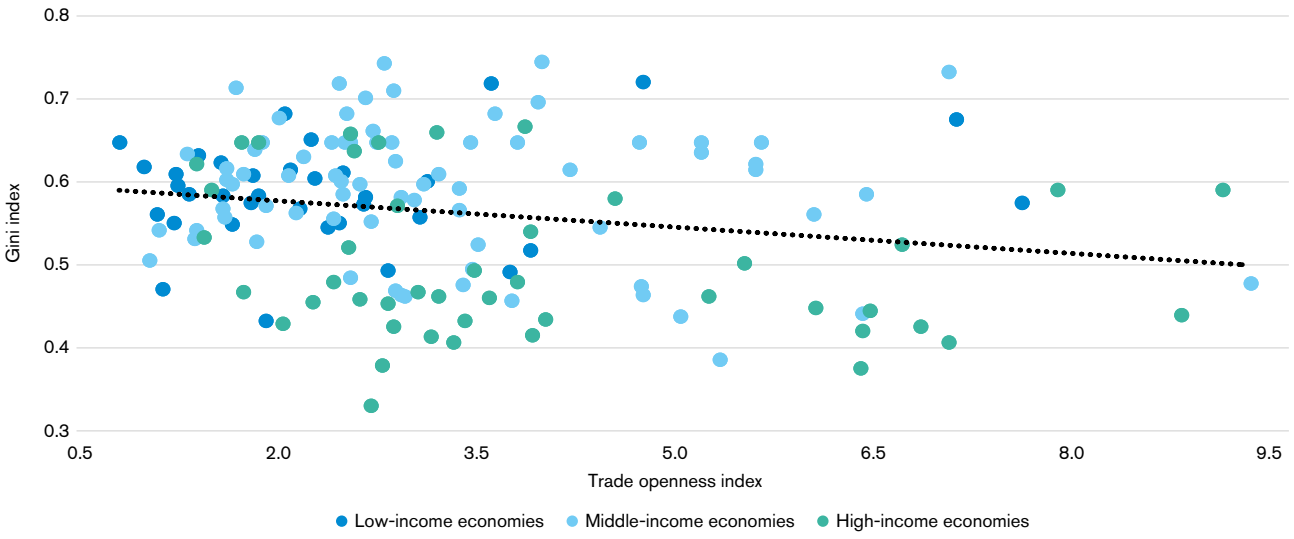
in absolute levels, with the level observed in 2020 comparable to that of the early 1900s. The average share of income received by the top 1 per cent across all economies stands at 15.8 per cent.

Gains from trade are unevenly distributed among individuals within the economy, but this does not inherently increase inequality. Trade openness increases the economy's overall welfare, but is sometimes blamed for also increasing inequality. While some economies became more unequal as they integrated into the global economy, in others, increased trade led to greater economic inclusion (see Figure 4). Trade openness can impact inequality differently through various channels. It can lead to wage cuts and job losses in sectors exposed to increase competition from abroad, while also creating new job opportunities, including higher-paying positions, in expanding sectors that leverage the economy's comparative advantages. Overall, trade supports a growing share of employment, with the average share of jobs dependent on exports reaching 28 per cent in 2019, marking a growth rate of over 20 per cent since 1995. These new, better paid jobs supported by trade can, in some cases, disproportionately benefit low-skilled workers. Similarly, the lower prices and consumer choice that come with trade openness can effectively increase the purchasing power of low- and middle-income consumers.

While trade generally brings benefits to many, some groups of individuals may experience long-term losses. The ability of workers to move from lower- to higher-productivity jobs, and from declining sectors to growing ones, is the essential mechanism by which trade increases overall economic efficiency, promotes development and improves living standards. The impact of trade openness on workers depends on their industry, region, occupation and skillset. Individuals with lower incomes, workers with fewer skills, small business-owners and some women are often more susceptible to labour market disruptions resulting from trade openness. In the absence of adequate policy responses, the effects of labour market disruptions can last for long periods, and can spill over into the local economy when affected individuals must reduce their spending on local goods and services.

Mobility obstacles, reduce the gains from trade and exacerbate losses. Transitioning to expanding sectors is easier said than done for people affected by import competition, who face individual-specific and institutional obstacles. Affected individuals may lack the skills or the financial means to adapt to import competition by seizing new job or business opportunities in growing sectors. For these reasons some women, people from low-income households and workers in the informal sector may find it difficult to transition to expanding formal industries. Poor transportation and digital networks can also hinder their ability to access new job markets, whether in person or online, especially for people living in remote areas. In addition, consumers in rural regions may not

Figure 4: Weak correlation between trade openness and income inequality, 2021



Source: Authors' calculations, based on World Inequality Database and World Bank data on trade openness.
Note: The figure shows the correlation between the Gini index and trade openness index. The Gini index is a measure of inequality, ranging from 0 for perfect equality to 1 for maximal inequality. The trade openness index corresponds to the share of exports and imports over GDP conditional on economy size. The analysis covers 157 economies, classified based on the 2021 World Bank income group classification.

benefit as much from the lower prices associated with trade openness because of high domestic trade costs and intermediaries' market power.

Trade policies that seek to mitigate the disruptive effects of trade by protecting specific groups of individuals can be costly and can negatively impact other segments of the population. Trade protection for specific groups in a given industry can raise the production costs for other sectors that rely on protected but more expensive goods or inputs whether produced domestically or imported. These costs can increase so much that they more than offset the positive employment impacts on directly protected import-competing industries. Such trade policies can also prove ineffective if affected trading partners retaliate and thereby threaten jobs supported by trade. In addition, measures such as export restrictions on food tend to be ineffective in shielding low-income consumers from external shocks because they can discourage farmers from producing more food, ultimately leading to shortages and higher costs for everyone, including the poor.

Making trade more inclusive is essential in a context of rising geopolitical tensions, technological revolution and climate change. Inclusiveness seeks to ensure that the benefits and opportunities of trade are accessible to all individuals and businesses. Trade brings benefits to many but the disparity between individuals who can effectively adjust to trade and those who cannot creates a risk of widening inequality. This can fuel political tensions and potentially erode support for trade openness. But trade fragmentation resulting from geopolitical tensions ultimately limits economic opportunities and financial resources, exacerbating poverty and inequality. While digitalization can promote inclusiveness by overcoming geographical remoteness, providing more time flexibility and enhancing the tradability of cross-border services, it could also disrupt labour markets in ways reminiscent of import competition in the past. Marginalized individuals are particularly vulnerable to climate change due to their limited adaptive capacities. Meanwhile, measures such as reforming agricultural trade rules could help foster access to diverse and resilient food sources, even as weather patterns change.

Removing discriminatory trade barriers affecting vulnerable groups could foster a more inclusive trading system. Certain restrictive trade policies can have a disproportionate impact on certain vulnerable groups, including low-income households, some women, and micro, small and medium-sized enterprises (MSMES). For instance, tariffs tend to be higher in sectors with a higher proportion of female employees, and on products primarily consumed by women. Removing the gender bias of tariffs can contribute to making trade more inclusive. Similarly, adopting trade facilitation measures and improving the availability of trade finance can contribute to reducing the fixed costs of participating in international trade, which is particularly beneficial for MSMEs given their limited financial resources. Trade policy can further support inclusiveness more effectively by helping to address distortions and barriers that hinder equal participation in trade.

Complementary domestic policies are required to make trade more inclusive. The decision of whether and how to address inclusiveness rests with each government. While there is no "one size fits all" approach, economic growth, institutional reforms and sustainable debt management are important enablers of inclusiveness. Support for affected individuals in managing trade adjustment costs and maximizing the benefit of trade openness can be achieved through the adoption of a mix of labour market adjustment, competitiveness and compensation policies. Labour market policies, such as vocational training and unemployment benefits, can help affected workers during periods of job transition. In the medium term, education policies can help to develop a more skilled and mobile workforce. Competition policy to address excessive market power of certain large firms can help to ensure that consumers benefit from lower prices due to trade openness. Other policies that increase competitiveness can also make the economy more responsive, such as affordable, efficient and reliable infrastructure and well-functioning financial markets. Taxation can help to fund support programmes for those adversely affected by trade. Increasing the participation of vulnerable groups in the decision-making process can further contribute to ensuring that their specific needs and situations are taken into consideration.

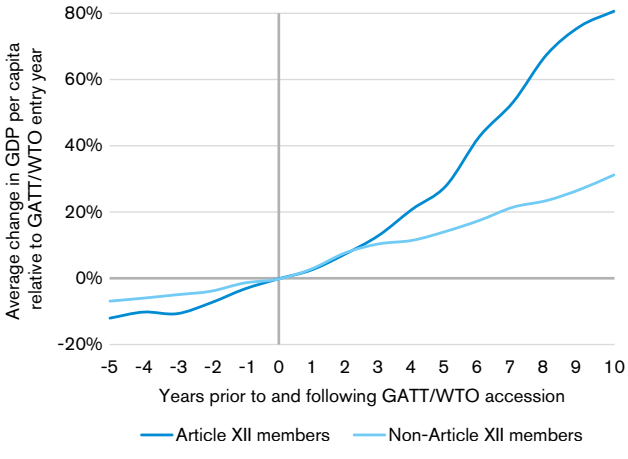
Chapter D discusses how international cooperation can make trade and complementary policies more effective at supporting inclusiveness across and within economies, and highlights how better coordination among international organizations could amplify their collective impact on inclusiveness.

The WTO contributes to inclusiveness across economies by promoting an open, rules-based and predictable multilateral trading system. The predictable access to open global markets

underpinned by the multilateral trading system has enabled some developing economies to catch up with more advanced economies. Membership of the General Agreement on Tariffs and Trade (GATT)/WTO, has, on average, boosted trade between members by 140 per cent. WTO commitments have also been found to reduce protectionist responses to economic shocks, thereby reducing trade policy uncertainty, which is crucial for attracting investments.

WTO rules also contribute to improving governance through economic reform, thereby promoting sustained economic growth. Accession to the WTO contributes to economic growth by facilitating trade growth, fostering trade revenue stability and FDI through a predictable trade policy environment. Acceding WTO members commit to wide-ranging reforms of their trade policies, economic institutions and domestic governance, including by reducing tariffs and non-tariff barriers, regulating state-owned enterprises, protecting intellectual property rights, and establishing independent tribunals. Economies that underwent a reform process during their WTO accession experienced an average growth rate that was 1.5 percentage points higher than economies that underwent no such process; these economies continued to grow faster after their accession to the WTO (see Figure 5).

Figure 5: Higher economic growth in WTO members with more extensive commitments



Source: Authors' calculations, based on Penn World Table and Brotto et al. (2024).
Note: The figure shows the average change in GDP per capita in relation to the year of GATT/WTO entry for both Article XII WTO members and non-Article XII members. GDP per capita growth is based on expenditure-side real GDP expressed in 2017 US$ purchasing power parity. Article XII members refers to members that acceded the WTO after 1995 under Article XII of the GATT. Non-Article XII refers to GATT contracting members that became WTO members without having to go through the Article XII process.

WTO rules provide for various flexibilities aiming to enhance trade opportunities for developing economies, including LDCs. Through successive negotiations, amendments and decisions, the WTO agreements now include over 155 special and differential treatment (S&DT) provisions targeted at developing economies, including 25 S&DT provisions that are specific to LDCs. These provisions are designed to safeguard the trade interests, offering flexibility in commitments, providing longer periods for implementing WTO agreements and ensuring technical assistance. For instance, tariff preferences have expanded exports from developing economies and LDCs, despite the administrative costs associated with these preferences. Preference schemes have also been found to raise exports to third-party economies through learning-by-exporting effects.

Aid for Trade projects and similar technical assistance programmes available for developing economies have enhanced their export opportunities. Between 2006 and 2022, a cumulative total of US$ 648 billion of Aid for Trade funding was allocated to promote the integration of developing economies and LDCs into the multilateral trading system, as well as to support economic convergence by addressing supply-side capacity and trade-related infrastructure constraints and building trade-related skills. Aid for Trade projects have been found to enhance an economy's trade potential, by expanding established trade relations and by establishing new trade relations. In 2023, the WTO and the World Bank launched the "Digital Trade for Africa" project to leverage their synergies to provide technical assistance and capacity-building to ensure African economies' digital infrastructure is supported by enabling regulatory frameworks. More recently, the World Bank and the WTO launched a joint programme to assist developing economies in services trade.

Greater efforts to include the economies that have been left behind in the global trading system require a more effective and inclusive WTO. Amid geopolitical tensions it is important to uphold the operational capacities of the WTO. Addressing remaining trade barriers and facilitating the implementation of existing WTO agreements, assisting low-income economies in complying with export market requirements, accelerating the accession to the WTO of new members can contribute to create new opportunities for further convergence. Despite progress, many developing members, including LDCs and small, vulnerable economies, face constraints in participating in the different WTO functions. Strengthening the participation of all WTO members

in negotiations, deliberations and committee work is essential to ensure a fairer representation, enhance mutual understanding, and promote more effective and inclusive decision-making. Timely trade monitoring, along with an effectively functioning dispute settlement mechanism accessible to all members, is also crucial for achieving a more inclusive WTO.

Greater international trade cooperation is also necessary to address evolving challenges in areas crucial to the future of trade, such as services, digital and green trade. Efforts to address trade costs in services, which are higher than those for trade in goods, can reduce business uncertainty and create opportunities in the cross-border supply of services and digital trade. Greater coordination and experience-sharing on digital trade regulations can support the adoption of best practices and strengthen domestic and global digital regulatory frameworks. In this regard, under the Joint Initiative on E-commerce, a group of WTO members recently stabilized the text of an agreement governing some aspects of digital trade. Even though low-income economies receive only a small share of FDI, they nevertheless stand to benefit significantly from improvements in investment facilitation, as set out in the plurilateral Investment Facilitation for Development (IFD) Agreement, which was recently finalized by 125 WTO members. Coordinating trade-related climate change policies can also prevent trade tensions resulting from carbon border policies and climate support measures that some developing economies perceive as a hindrance, however inadvertent, to their export capabilities – and hence an impediment to their economic convergence.

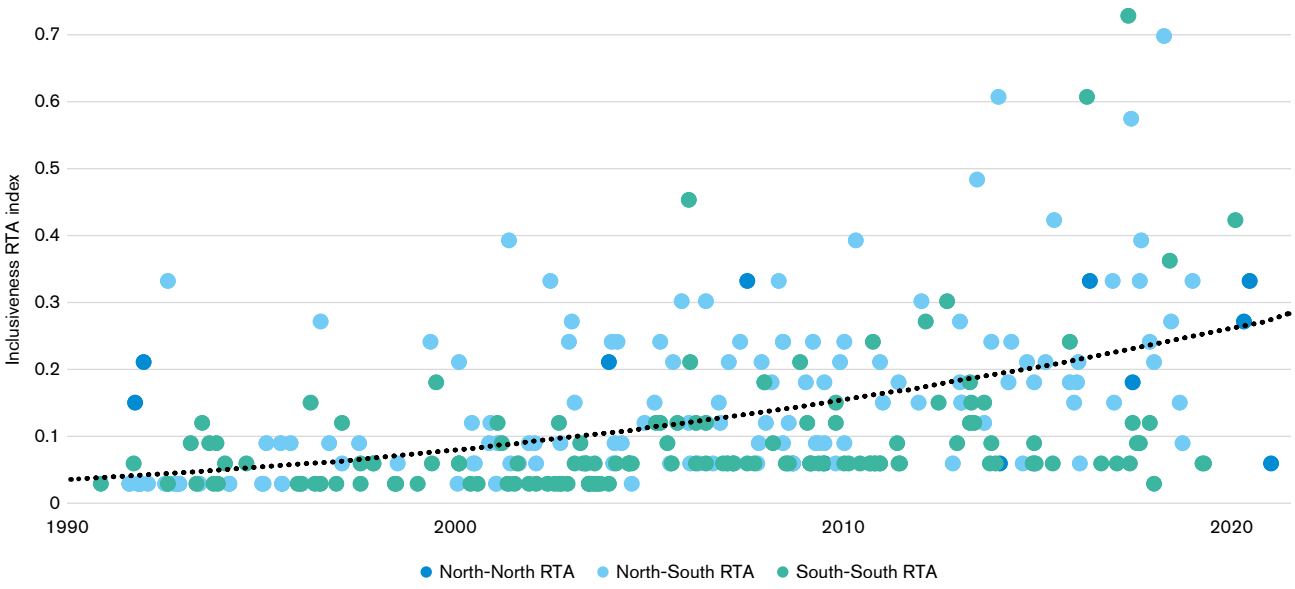
Finding the right balance between binding commitments and effective flexibilities is essential to further inclusiveness across economies. Various proposals have been put forward by some WTO members to modify S&DT provisions. There is, however, no consensus among WTO members. While there is no "one-size-fits-all" approach to flexibilities, commitments should be aligned with a member's capacity to implement them, while recognizing that certain carve-outs can undermine some of the benefits of a rule-based system. The S&DT provisions of the Trade Facilitation Agreement (TFA) and of the recent plurilateral IFD Agreement mark a significant shift from the WTO's traditional S&DT approach by introducing a conditional link between commitment requirements and implementation capacity, allowing developing and least-developed country members to set their own implementation timetables based on their capacity. These types of S&DT provisions could serve as a blueprint, by providing relevant policy space for developing economies without undermining the predictability and stability of trade policies achieved through credible commitments.

Concerns about the distributional impacts of trade have led to a growing number of trade agreements including provisions explicitly related to inclusiveness within economies. Provisions on labour standards, such as those set by the International Labour Organization (ILO), covering issues like child labour and discrimination in the labour market, are included in an increasing number of regional trade agreements (RTAs). Some relatively recent detailed provisions on inclusiveness in RTAs specifically relate to disadvantaged groups, such as women, vulnerable workers, indigenous people and persons with disabilities (see Figure 6). Other RTA provisions promote corporate social responsibility or relate to specific types of firms, including MSMEs and artisanal companies. While many provisions on inclusiveness promote cooperation activities, some other provisions establish specific level playing field disciplines or exemptions.

WTO rules also contribute to inclusiveness within economies. Although WTO agreements are mainly concerned with inclusiveness across economies, the preamble of the Marrakesh Agreement Establishing the World Trade Organization recognizes that WTO members should conduct trade relations with a view to raising standards of living and real income. WTO disciplines aim mainly to minimize the negative effects of trade policies on trading partners to increase the economic benefits from more trade openness. This, in turn, contributes to inclusiveness within economies by fostering economic growth and reducing poverty. For instance, a number of provisions in the WTO Agreement on Agriculture aim to contribute to food security, which is of particular importance to low-income households. More recently, the Declaration on Services Domestic Regulation, adopted by a group of WTO members in 2021, prohibits gender discrimination when authorizing the supply of a service.

Nothing in the WTO agreements restricts the use of non-discriminatory complementary policies for inclusiveness. The decision of whether and how to address inclusiveness rests with each government. Many distortions that lead to unequal effects from trade-opening are often rooted in structural domestic factors, that are best addressed through domestic complementary policies, such as labour, education or taxation policies. Trade-related instruments that some governments may choose to use for inclusiveness

Figure 6: Increasing numbers of provisions on inclusiveness in RTAs, 1990-2021



Source: Authors' calculations, based on a mapping of provisions on inclusiveness in RTAs.
Note: This figure shows the evolution of provisions on inclusiveness in RTAs between 1990 and 2021. The inclusiveness RTA index ranges from 0 to 1 and considers 33 explicit types of provisions addressing different dimensions of inclusiveness, including human rights, workers, MSMEs, poverty, gender, indigenous communities, people with disabilities, and other minorities and vulnerable groups. "North" is defined as high-income economies, whereas "South" is defined as low- and middle-income countries, according to the 2022 World Bank's income group classification.

purposes, such as tariffs, subsidies and export restrictions, are subject to WTO disciplines to avoid potential negative spillovers on other economies and potential retaliatory measures that would undermine overall inclusiveness. For instance, the WTO also provides for safeguards that can be applied to protect some workers in specific domestic industries in response to import surges, as well as trade remedy measures to offset the harmful effects of market distortions.

WTO members are increasingly discussing how to make trade more inclusive by fostering the greater participation of women and MSMEs in trade. The recognition of the specific constraints of MSMEs and businesses owned by women in integrating global trade and leveraging trade for economic empowerment has resulted in the establishment of the WTO Informal Working Groups on MSMEs and on Trade and Gender. The Informal Working Group on MSMEs provides a forum to exchange information and experiences on ways in which WTO members could better support the participation of MSMEs in global trade. The Informal Working Group on Trade and Gender aims to enhance women's participation in international trade by sharing best practices and exploring how women can benefit from the Aid for Trade initiative, among others. Discussions on inclusive trade have also gained significant importance in other WTO committees and working groups.

A number of trade-related technical and capacity-building initiatives in the WTO are contributing to making trade more inclusive. Poverty reduction, women's economic empowerment and MSME participation are increasingly being integrated into Aid for Trade, as well as into projects of the Enhanced Integrated Framework (EIF) and Standards and Trade Development Facility (STDF), multilateral partnerships supported by the WTO. Trade finance facilitation programmes can also significantly benefit and enhance international trade for MSMEs and women traders. In early 2024, the WTO and the International Trade Centre (ITC) launched a "Women Exporters in the Digital Economy" (WEIDE) Fund to assist women in accessing opportunities in international trade and the digital economy.

The WTO could help to address inclusiveness issues within an economy by means of its transparency and monitoring functions. More information on the effects of certain trade policy measures on vulnerable groups could help address potential discriminatory effects. Collecting relevant disaggregated data and conducting analysis could inform these discussions. For instance, the trade and gender dimension has arisen in discussions of the Trade Policy Review Body (TPRB), mainly through the voluntary provision of relevant information in trade policy review reports prepared by members and their

statements at TPRB meetings. Identifying strategies and mechanisms to mitigate and minimize the adverse effects of export restrictions of essential products on importing economies could also contribute to food security and resilience.

The implementation of WTO commitments can also become more inclusive if vulnerable groups are actively involved. The increased participation of representatives from vulnerable groups in domestic deliberative trade processes can help to ensure that their perspectives and interests are taken into account when certain WTO provisions are implemented. The TFA serves as a noteworthy example of how trade policy can become more inclusive, by involving representatives from groups that may face discrimination in policy implementation in national trade facilitation committees, and providing them with access to relevant trade information, as well as to capacity-building and training opportunities. Sustained government support and resources are, however, essential if national trade facilitation committees are to achieve more effective and inclusive trade reforms.

The multifaceted "trade and" challenges faced today demand a robust and coordinated "WTO and" approach to further support inclusiveness across and within economies. While the WTO remains a cornerstone for international trade cooperation, many trade-related developmental and inclusive policies are also addressed by other international organizations. Under the "Decision on achieving greater coherence in global economic policy-making", the WTO already collaborates with the International Monetary Fund (IMF) and the World Bank. The WTO also works with many other international organizations. Enhancing collaboration among international organizations could help to leverage synergies between trade policies and complementary policies, and international organizations could mutually reinforce each other in fostering inclusiveness across and within economies. It is important to support coordinated efforts to strengthen capacity to implement WTO agreements by addressing regulatory, skills and infrastructure gaps, as well as to address competition, corporate taxation and corruption issues. These collaborative efforts could take various forms, from partnerships to simple exchanges of information. The WTO could serve as a platform for international organizations, governments, businesses and non-governmental organizations to further collaborate and share information on specific trade-related issues.